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July 29, 1996

Mr. James Schlichting, Chief  
Competitive Pricing Division  
Common Carrier Bureau  
Federal Communications Commission  
Washington, DC 20554

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Re: RM-8181 - Inmate Payphones

Dear Mr. Schlichting:

In the Declaratory Ruling in this docket (FCC 96-34) released February 20, 1996, there is a requirement for carriers to "make appropriate tariff changes" related to the reclassification of the inmate payphone CPE.

The GTE telephone companies have completed their analysis of the effect of the change on the PCI and the carrier common line rates. The results are attached. In each of two states, the CCL would change by less than \$500 annually for all carriers. (Exhibit 3 of the attachment). Exhibit 2 shows the CCL rate comparison for the adjustment, and Exhibit 1 shows the PCIs before and after the adjustment. The "0.0000" entries appear for states in which there are no inmate payphones.

Given the *de minimis* effect of the rate changes, GTE proposes to leave the CCL rates in effect and unchanged until the Commission has concluded its investigation in the larger question of all pay telephones (CC Docket No. 96-128). If this assumption is not correct, please let me know.

Very truly yours,

F. Gordon Maxson  
Director - Regulatory Affairs

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LIST ARGOE

**GTE TELEPHONE OPERATIONS  
DEREGULATION OF "INMATE" PAYPHONES  
PRICE CAP INDEX (PCI) COMPARISON**

GTE TELEPHONE COMPANIES	<u>COSA</u> GTTC	ADJUSTED	EXISTING	DIFFERENCE (C)=(A)-(B)
		PCI (A)	PCI (B)	
1 ALABAMA	GTAL	93.0513	93.0514	-0.0001
2 ALASKA	GTAK	90.5238	90.5238	0.0000
3 ARKANSAS	GTAR	152.2496	152.2496	0.0000
4 CALIFORNIA	GTCA	102.4710	102.4694	-0.0185
5 CALIFORNIA-WC	GNCA	634.0326	643.3480	-9.3154
6 FLORIDA	GTFL	101.7218	101.7591	-0.0373
7 HAWAII	GTHI	101.9409	101.9517	-0.0108
8 IDAHO	GTID	105.3843	105.4125	-0.0282
9 ILLINOIS	GAIL	89.0872	89.1011	-0.0139
10 INDIANA	GAIN	86.9982	87.0121	-0.0139
11 IOWA	GTIA	89.4967	89.4967	0.0000
12 KENTUCKY	GTKY	93.9013	93.9013	0.0000
13 MICHIGAN	GAMI	96.0254	96.0666	-0.0412
14 MINNESOTA	GTMN	185.2506	185.2506	0.0000
15 MISSOURI	GTMO	84.6710	84.6746	-0.0036
16 NEBRASKA	GTNE	82.6528	82.6606	-0.0078
17 NEW MEXICO	GTNM	92.6287	92.6287	0.0000
18 NORTH CAROLINA	GTNC	87.4729	87.4729	0.0000
19 OHIO	GTOH	89.9830	89.9973	-0.0143
20 OKLAHOMA	GTOK	91.3280	91.3353	-0.0073
21 OREGON	GTOR	86.1130	86.1145	-0.0015
22 PENNSYLVANIA	GTPA	91.7894	91.8142	-0.0249
23 SOUTH CAROLINA	GTSC	84.6220	84.6238	-0.0018
24 TEXAS	GTTX	103.4935	103.4973	-0.0039
25 VIRGINIA	GTVA	97.6584	97.6584	0.0000
26 WASHINGTON	GTWA	87.6967	87.6040	-0.0073
27 WISCONSIN	GTWI	88.0530	88.0841	-0.0311
28 CNMI	GTMC	105.1072	105.1072	0.0000

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		ADJUSTED	EXISTING	DIFFERENCE
		PCI	PCI	
		(A)	(B)	(C)=(A)-(B)
GTE SYSTEM TELEPHONE COMPANIES		COSA		
		COTC		
1 ALABAMA	COAL	91.3680	91.3680	0.0000
2 ARIZONA - WESTERN	COAZ	170.9568	170.9699	-0.0131
3 ARKANSAS	COAT	93.3009	93.3012	-0.0003
4 CALIFORNIA	COCA	101.5893	101.5774	-0.0081
5 ILLINOIS	COIL	80.0979	80.0979	0.0000
6 INDIANA	COIN	93.5087	93.5319	-0.0232
7 IOWA	COIT	87.8560	87.8560	0.0000
8 KENTUCKY	COKY	107.9070	107.9070	0.0000
9 MINNESOTA	COMN	76.6099	76.6099	0.0000
10 MISSOURI	COMT	88.4362	88.4367	-0.0005
11 NEVADA	CONV	74.3269	74.3269	0.0000
12 NEW MEXICO	CONM	38.1458	38.1458	0.0000
13 NORTH CAROLINA	CONC	97.5673	97.5673	0.0000
14 PENNSYLVANIA	COPT	69.8411	69.8411	0.0000
15 SOUTH CAROLINA	COSC	101.8193	101.8193	0.0000
16 TEXAS	COTX	100.1982	100.1982	0.0000
17 VIRGINIA	COVA	91.7198	91.8800	-0.1603
18 WASHINGTON	COWA	94.4228	94.4228	0.0000

**GTE TELEPHONE OPERATIONS  
DEREGULATION OF "INMATE" PAYPHONES  
PREMIUM TERMINATING CCL RATE COMPARISON**

		ADJUSTED MAXIMUM PREM. TERM RATES	EXISTING PREM. TERM. RATES	DIFFERENCE
		(A)	(B)	(C)=(A)-(B)
GTE TELEPHONE COMPANIES	COSA GTTC			
1 ALABAMA	GTAL	\$0.0251007	\$0.0218120	\$0.0032887
2 ALASKA	GTAK	\$0.0192104	\$0.0108980	\$0.0083124
3 ARKANSAS	GTAR	\$0.0857895	\$0.0217290	\$0.0440605
4 CALIFORNIA	GTCA	\$0.0307958	\$0.0199000	\$0.0108958
5 CALIFORNIA-WC	GNCA	\$0.5242553	\$0.0210630	\$0.5031923
6 FLORIDA	GTFL	\$0.0293584	\$0.0226000	\$0.0067584
7 HAWAII	GTHI	\$0.0295317	\$0.0195170	\$0.0100147
8 IDAHO	GTID	\$0.0324280	\$0.0186800	\$0.0137480
9 ILLINOIS	GAIL	\$0.0205588	\$0.0195170	\$0.0010418
10 INDIANA	GAIN	\$0.0206058	\$0.0183160	\$0.0022898
11 IOWA	GTIA	\$0.0214025	\$0.0172430	\$0.0041595
12 KENTUCKY	GTKY	\$0.0249918	\$0.0195150	\$0.0054768
13 MICHIGAN	GAMI	\$0.0285077	\$0.0204070	\$0.0081007
14 MINNESOTA	GTMN	\$0.0887256	\$0.0192000	\$0.0695256
15 MISSOURI	GTMO	\$0.0185585	\$0.0185608	(\$0.0000023)
16 NEBRASKA	GTNE	\$0.0145937	\$0.0145984	(\$0.0000047)
17 NEW MEXICO	GTNM	\$0.0245341	\$0.0213080	\$0.0032261
18 NORTH CAROLINA	GTNC	\$0.0216062	\$0.0183140	\$0.0032922
19 OHIO	GTOH	\$0.0215453	\$0.0195140	\$0.0020313
20 OKLAHOMA	GTOK	\$0.0241996	\$0.0215610	\$0.0026386
21 OREGON	GTOR	\$0.0221092	\$0.0206130	\$0.0014962
22 PENNSYLVANIA	GTPA	\$0.0233004	\$0.0195170	\$0.0037834
23 SOUTH CAROLINA	GTSC	\$0.0201402	\$0.0195160	\$0.0006242
24 TEXAS	GTTX	\$0.0320558	\$0.0251900	\$0.0068658
25 VIRGINIA	GTVA	\$0.0276327	\$0.0218120	\$0.0058207
26 WASHINGTON	GTWA	\$0.0213484	\$0.0195170	\$0.0018314
27 WISCONSIN	GTWI	\$0.0216087	\$0.0195170	\$0.0020917
28 CNMI	GTMC	\$0.0931188	\$0.0835754	\$0.0095434

**GTE TELEPHONE OPERATIONS  
DEREGULATION OF "INMATE" PAYPHONES  
PREMIUM TERMINATING CCL RATE COMPARISON**

		ADJUSTED MAXIMUM PREM. TERM RATES	EXISTING PREM. TERM. RATES	DIFFERENCE	
		(A)	(B)	(C)=(A)-(B)	
GTE SYSTEM TELEPHONE COMP		COSA			
		COTC			
1	ALABAMA	COAL	\$0.0345495	\$0.0275700	\$0.0069795
2	ARIZONA - WESTERN	COAZ	\$0.0847327	\$0.0366400	\$0.0480927
3	ARKANSAS	COAT	\$0.0361134	\$0.0294600	\$0.0066534
4	CALIFORNIA	COCA	\$0.0376368	\$0.0361800	\$0.0014568
5	ILLINOIS	COIL	\$0.0253446	\$0.0253446	\$0.0000000
6	INDIANA	COIN	\$0.0352282	\$0.0223700	\$0.0128582
7	IOWA	COIT	\$0.0326242	\$0.0321800	\$0.0004442
8	KENTUCKY	COKY	\$0.0496338	\$0.0341300	\$0.0155038
9	MINNESOTA	COMN	\$0.0210282	\$0.0210282	\$0.0000000
10	MISSOURI	COMT	\$0.0334230	\$0.0252100	\$0.0082130
11	NEVADA	CONV	\$0.0238606	\$0.0238606	\$0.0000000
12	NEW MEXICO	CONM	\$0.0014659	\$0.0014658	\$0.0000001
13	NORTH CAROLINA	CONC	\$0.0396633	\$0.0359800	\$0.0039033
14	PENNSYLVANIA	COPT	\$0.0170587	\$0.0170587	\$0.0000000
15	SOUTH CAROLINA	COSC	\$0.0438050	\$0.0366400	\$0.0071650
16	TEXAS	COTX	\$0.0436798	\$0.0436798	\$0.0000000
17	VIRGINIA	COVA	\$0.0358104	\$0.0282000	\$0.0076104
18	WASHINGTON	COWA	\$0.0360532	\$0.0319100	\$0.0041432

**GTE TELEPHONE OPERATIONS  
DEREGULATION OF "INMATE" PAYPHONES  
REVENUE IMPACT**

		1986 BASE PERIOD UNITS (A)	ADJUSTED RATES (B)	EXISTING RATES (C)	RATE DIFFERENCE (D)=(B)-(C)	REVENUE DIFFERENCE (E)=(A)*(D)
GTE TELEPHONE COMPANIES		COSA				
	GTTC					
1	MISSOURI	GTMO				
	PREM TERM CCL	171,395,332	\$0.0186584	\$0.0186608	(\$0.0000024)	(\$411)
	NON-PREM TERM CCL	7,692,798	0.0083513	0.0083524	(0.0000011)	(8)
	TOTAL					(\$420)
2	NEBRASKA	GTNE				
	PREM TERM CCL	81,461,660	\$0.0145937	\$0.0145954	(\$0.0000017)	(\$383)
	NON-PREM TERM CCL	2,008,571	0.0065672	0.0065683	(0.0000011)	(4)
	TOTAL					(\$387)